

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

FTX TRADING, LTD., *et al.*,¹

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

Objection Deadline:
January 4, 2024 at 4:00 p.m. (ET)

**SUMMARY OF SECOND MONTHLY FEE STATEMENT OF EVERSHEDS
SUTHERLAND (US) LLP, AS LEAD COUNSEL FOR THE AD HOC COMMITTEE
OF NON-US CUSTOMERS OF FTX.COM, FOR ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD
FROM OCTOBER 1, 2023 THROUGH OCTOBER 31, 2023**

Name of Applicant:	Eversheds Sutherland (US) LLP ("Eversheds Sutherland")
Authorized to Provide Professional Services to:	Ad Hoc Committee of Non-US Customers of FTX.com ("Ad Hoc Committee")
Date of Order Approving Counsel Reimbursement Agreement:	November 15, 2023
Period for Which Compensation and Reimbursement is Sought:	October 1, 2023 through October 31, 2023
Total Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$475,960.50
80% of Compensation Sought as Actual, Reasonable and Necessary:	\$380,768.40
100% of Expense Reimbursement Sought as Actual, Reasonable and Necessary:	\$0.00

This is a(n): ☒ monthly ☐ interim ☐ final application

The total time expended for fee application preparation is approximately 4.0 hours and the corresponding compensation requested is approximately \$3,580.²

¹ The last four digits of FTX Trading Ltd.'s and Alameda Research LLC's tax identification numbers are 3288 and 4063, respectively. Due to the large number of debtors in these chapter 11 cases, a complete list of the debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the debtors' claims and noticing agent's website at <https://cases.ra.kroll.com/FTX>.

² Allowance for compensation for such time is not requested in this application, but will be sought in a subsequent fee application.

COMPENSATION BY INDIVIDUAL DURING THE FEE PERIOD

Name	Title	Practice Group; Date of First Admission	Hourly Rate	Hours Billed	Amount Billed
Paul, Sarah	Partner	Litigation, 2004	\$1,135.00	50.90	57,771.50
Wender, David A.	Partner	Finance, 2003	\$1,100.00	6.60	7,260.00
Partner Total				57.50	65,031.50
Broderick, Erin E.	Sr. Counsel	Finance, 2008	\$910.00	279.50	254,345.00
Kimble, Jennifer B.	Sr. Counsel	Finance, 2005	\$950.00	1.10	1,045.00
Senior Counsel Total				280.60	255,390.00
DeLoatch, Nathaniel T.	Associate	Finance, 2019	\$700.00	61.50	43,050.00
Monzon Woc, Ana Rocio	Associate	Litigation, 2018	\$655.00	5.80	3,799.00
Rogers, Michael A.	Associate	Finance, 2022	\$735.00	135.60	99,666.00
Associate Total				202.90	146,515.00
Hirsch, Devorah	Paralegal	Litigation	\$240.00	37.60	9,024.00
Paralegal Total				37.60	9,024.00
Total				578.60	\$475,960.50

Blended Hourly Rate: \$803.00

COMPENSATION BY PROJECT CATEGORY FOR THE FEE PERIOD

U.S. Trustee Task Code and Project Category	Hours Billed	Amount Billed
B110 Case Administration	23.10	13,662.00
B112 General Creditor Inquiries	54.80	34,734.00
B113 Case Analysis/Pleading Review	52.70	45,895.50
B120 Asset Analysis and Recovery	5.40	1,877.00
B150 Meetings of and Communications with External Stakeholders	4.10	1,423.00
B155 Court Hearings	3.90	3,549.00
B160 Fee/Employment Applications	0.20	190.00
B170 Fee/Employment Objections	0.50	567.50
B190 Other Contested Matters (excluding assumption/rejection motions)	45.60	35,530.00
B260 Corporate Governance and Board Matters	31.20	24,938.50
B270 AHC Member Communications & Meetings	35.50	28,135.00
B310 KYC Process and Claims Administration	13.50	10,924.50
B320 Plan and Disclosure Statement (including Business Plan)	270.50	240,826.00
B330 Fee Reimbursement Motion	14.80	15,155.50
B410 General Case Strategy	22.80	18,553.00
Total	578.60	\$475,960.50

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Objection Deadline:
January 4, 2024 at 4:00 pm. (ET)

**SECOND MONTHLY FEE STATEMENT OF EVERSLED SUTHERLAND (US) LLP,
AS LEAD COUNSEL FOR THE AD HOC COMMITTEE OF NON-US CUSTOMERS
OF FTX.COM, FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT
OF EXPENSES FOR THE PERIOD
FROM OCTOBER 1, 2023 THROUGH OCTOBER 31, 2023**

Pursuant to the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals* [D.I. 435] (the “Interim Compensation Order”), Eversheds Sutherland (US) LLP (“Eversheds Sutherland”), counsel to the Ad Hoc Committee of Non-US Customers of FTX.com (the “Ad Hoc Committee”) retained in the chapter 11 cases (the “Chapter 11 Cases”) of the above captioned debtors and debtors in possession (the “Debtors”), hereby submits this second monthly fee statement (this “Monthly Fee Statement”) for compensation of fees and reimbursement of costs and expenses incurred by Eversheds Sutherland for professional services rendered by Eversheds Sutherland during the period from October 1, 2023 through and including October 31, 2023 (the “Fee Period”) for or on behalf of the Ad Hoc Committee in connection with the Chapter 11 Cases. In support of this Monthly Fee Statement, Eversheds Sutherland respectfully states as follows:

¹ The last four digits of FTX Trading Ltd.’s and Alameda Research LLC’s tax identification numbers are 3288 and 4063, respectively. Due to the large number of debtors in these chapter 11 cases, a complete list of the debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the debtors’ claims and noticing agent’s website at <https://cases.ra.kroll.com/FTX>.

Jurisdiction

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

2. On November 11 and November 14, 2022, the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code with this Court. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. As of the date hereof, no trustee or examiner has been appointed in the Chapter 11 Cases.

3. The Ad Hoc Committee was officially formed on December 2, 2022 by a collective group of non-US customers who held accounts on the FTX.com platform. The Ad Hoc Committee, which currently comprises 68 members and is growing, holding in excess of \$1.3 billion in aggregate customer entitlements against the Debtors.

4. On December 2, 2022 and December 4, 2022, respectively, the Ad Hoc Committee engaged Eversheds Sutherland and Morris, Nichols, Arsht & Tunnell LLP (“Morris Nichols,” and together with Eversheds Sutherland, “Counsel”) in connection with these Chapter 11 Cases. Each member of the Ad Hoc Committee has consented to Counsel’s representation of the Ad Hoc Committee in these Chapter 11 Cases.

5. Given the indispensable role of the Ad Hoc Committee in advancing joint efforts towards a consensual plan, on October 24, 2023, the Debtors entered into an amended and restated reimbursement agreement (the “Counsel Reimbursement Agreement”) with Eversheds Sutherland and Morris Nichols, which amends and restates the reimbursement agreement dated as of August

23, 2023. Pursuant to the Counsel Reimbursement Agreement, the Debtors agreed to pay Counsel in the aggregate for both Eversheds Sutherland and Morris Nichols per month in reasonable and documented fees no more than (i) \$250,000 from May 1, 2023, through July 31, 2023, (ii) \$500,000 from August 1, 2023, through August 31, 2023, (iii) \$750,000 from September 1, 2023, through October 31, 2023, and (iv) \$650,000 from November 1, 2023, through the effectiveness of the Plan. The Counsel Reimbursement Agreement further provides that any unused portion of any monthly fee cap (“Monthly Fee Cap”) for any month shall be carried over on a rolling monthly basis, and any amounts incurred over the Monthly Fee Cap in a given month may be applied to later periods for reimbursement. In addition, the Counsel Reimbursement Agreement provides that the Debtors shall reimburse Counsel for all reasonable out-of-pocket expenses (at cost) from May 1, 2023, through the termination of the Counsel Reimbursement Agreement. Eversheds Sutherland has the sole discretion to allocate fees and expenses between Eversheds Sutherland and Morris Nichols such that the monthly fees payable by the Debtors does not exceed any Monthly Fee Cap.

6. On November 15, 2023, the Court entered the *Order Authorizing the Debtors to Enter into, and Perform their Obligations Under, the Reimbursement Agreements* (D.I. 3928) (the “Reimbursement Order”). Such obligations include paying Counsel for all of their outstanding and future reasonable documented fees and expenses in furtherance of the diligence, negotiation, prosecution, documentation and implementation of a comprehensive restructuring of the Debtors in accordance with the terms and conditions of the Counsel Reimbursement Agreement and said Order.

Relief Requested

7. By this Monthly Fee Statement, Eversheds Sutherland seeks: (a) allowance of compensation against each of the Debtors' estates for fees and expenses incurred in the aggregate amount of \$475,960.50, and (b) payment in the amount of \$380,768.40, representing eighty-percent (80%) of the total amount of fees incurred, in each case, in connection with work performed by Eversheds Sutherland during the Fee Period for or on behalf of the Ad Hoc Committee in connection with the Chapter 11 Cases.

8. Eversheds Sutherland further represents that the total amount of fees it is requesting as compensation for this Fee Period does not exceed the Monthly Fee Cap for Eversheds Sutherland and Morris Nichols in the aggregate, taking into account the ability to carry over unused portions of the Monthly Fee Cap on a rolling monthly basis, as per the terms of the Counsel Reimbursement Agreement.

Compensation Requested

9. Eversheds Sutherland has worked diligently in these complex Chapter 11 Cases to advance the Ad Hoc Committee's purpose, which is:

[T]o, in a cost-efficient and timely manner, maximize recoveries on the claims of members against FTX Trading Ltd. and its affiliated Debtors (collectively, the "Customer Claims") on account of the assets members deposited, held, received, or acquired on the FTX.com platform (collectively, the "Customer Assets"), leveraging, where beneficial, the position that the Debtors have no equitable interest in the Customer Assets and/or that constructive trust theories require priority of distribution on the Customer Claims. Membership is open to all creditors with Customer Claims that are aligned with the Ad Hoc Committee's purpose.

10. Specifically, Eversheds Sutherland's work during the Fee Period included, without limitation, the following:

- Negotiating the Ad Hoc Committee’s positions on the customer property rights of the FTX.com customers, including the positions set forth by the Ad Hoc Committee in its action for a declaratory judgment and its motion for partial summary judgment on the declaratory judgment action;
- Providing a foundation, through the Ad Hoc Committee’s customer property arguments, around which the *Draft Joint Plan of Reorganization* [D.I. 2100], filed on July 31, 2023, could be constructed;
- Playing a significant role in working with the Debtors and the Official Committee of Unsecured Creditors (the “Official Committee”) to shape the original chapter 11 plan construct to accommodate the concept for FTX.com customers receiving a priority distribution from the consolidated, general pool of assets;
- Driving discussions on customer property rights and customer preference liability in the course of productive plan negotiations with the Debtors and the Official Committee;
- Successfully negotiating and executing a Settlement and Plan Support Agreement (“PSA”) with the Debtors, the Official Committee, and a group of putative class action plaintiffs, which is a significant milestone in these Chapter 11 Cases;
- Providing a forum open to diverse FTX.com customers for their voices to be heard and their questions and concerns to be addressed by chapter 11 professionals whom many customers would not otherwise have access to; and
- Educating FTX.com customers and taking their informed perspectives into account in formulating and advancing positions in these Chapter 11 Cases.

11. Eversheds Sutherland maintains computerized records of the time spent by all attorneys and paraprofessionals in connection with its representation of the Ad Hoc Committee. A detailed statement of work performed by Eversheds Sutherland in rendering legal services to the Ad Hoc Committee during the Fee Period is attached hereto as **Exhibit A**.

12. The timekeepers who rendered services are identified in **Exhibit A**, along with the total hours and the total compensation sought by each category.

Valuation of Services

13. Attorneys and paraprofessionals of Eversheds Sutherland have expended a total of 578.60 hours in connection with its representation of the Ad Hoc Committee during the Fee Period. The amount of time spent by each Eversheds Sutherland timekeeper providing services to the Ad Hoc Committee for the Fee Period is set forth herein and in the attached monthly statement. Eversheds Sutherland respectfully submits that the reasonable value of the services rendered by Eversheds Sutherland to the Ad Hoc Committee during the Fee Period is \$475,960.50.

14. Eversheds Sutherland believes that the description of the time entries included in **Exhibit A** attached hereto are in compliance with the requirements of Local Rule 2016-2.

Reasonableness of Compensation

15. All fees and expenses incurred by Eversheds Sutherland during the Fee Period for or on behalf of the Ad Hoc Committee were actual, reasonable and necessary in the performance of Eversheds Sutherland's services. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, all fees and expenses requested by Eversheds Sutherland in this Monthly Fee Statement are reasonable due to (a) the size, nature and complexity of these Chapter 11 Cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, (e) the costs of comparable services other than in a case under chapter 11 of the Bankruptcy Code,

and (f) the fact that such fees and expenses were not unnecessarily duplicative of the services performed by other professionals retained by the Ad Hoc Committee.

Compliance and Waiver

16. To the best of Eversheds Sutherland's knowledge, this Monthly Fee Statement complies with Local Rule 2016-2. To the extent that this Monthly Fee Statement does not comply in all respects with the requirements of Local Rule 2016-2, Eversheds Sutherland believes that such deviations are not material and respectfully requests that any such requirements be waived.

Reservation of Rights

17. To the extent that time or disbursement charges for services rendered or disbursements incurred on behalf of the Ad Hoc Committee during the Fee Period were not inputted, processed or posted before the preparation of, or included in, this Monthly Fee Statement, or Eversheds Sutherland has for any other reason not sought compensation or reimbursement of expenses herein with respect to any services rendered or expenses incurred during the Fee Period on behalf of the Ad Hoc Committee, Eversheds Sutherland reserves the right to request compensation for such services and reimbursement of such expenses in a supplemental or future Monthly Fee Statement.

18. In addition, Eversheds Sutherland does not waive, and expressly reserves, its right to respond to any objections regarding this Monthly Fee Statement and the amounts sought for Eversheds Sutherland's work performed by or on behalf of the Ad Hoc Committee in connection with the Chapter 11 Cases.

Notice and No Prior Request

19. Notice of this Monthly Fee Statement has been given to the following parties or, in lieu of, to their counsel, if known: (a) the U.S. Trustee, (b) the Debtors, (c) the Official Committee,

(d) the Fee Examiner, and (e) all parties required to be given notice under the Interim Compensation Order. Eversheds Sutherland submits that no other or further notice is necessary.

20. No prior request for the relief sought in this Monthly Fee Statement for fees and expenses incurred during the Fee Period has been made to this or any other Court.

WHEREFORE, Eversheds Sutherland respectfully requests that the Court approve the Monthly Fee Statement and grant Eversheds Sutherland such other and further relief as the Court deems just and proper.

Dated: December 15, 2023
New York, New York

/s/ Sarah Paul
EVERSHEDS SUTHERLAND (US) LLP
Erin E. Broderick
Michael A. Rogers
227 West Monroe Street, Suite 6000
Chicago, Illinois 60606
Telephone: (312) 724-9006
Facsimile: (312) 724-9322
erinbroderick@eversheds-sutherland.com
michaelrogers@eversheds-sutherland.com

-and-

Nathaniel T. DeLoatch
999 Peachtree St NE
Atlanta, GA 30309
Telephone: (404) 853-8000
Facsimile: (404) 853-8806
nathanieldoatch@eversheds-sutherland.com

-and-

Sarah E. Paul
The Grace Building, 40th Floor
1114 Avenue of the Americas
New York, New York 10036
Telephone: (212) 389-5000
Facsimile: (212) 389-5099
sarahpaul@eversheds-sutherland.com

*Counsel for Ad Hoc Committee of Non-US
Customers of FTX.com*